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ABSTRACT

This paper discusses resource allocation at the school level, concentrating particularly on school-based budgeting. School-based budgeting is a process calling for preparation and administration of a budget for the allocation of the individual school's resources by the school principal, usually in consultation with staff and parents. The paper gives attention first to the nature, extent, and purpose of school-based budgeting as it is practiced in the United States and, particularly, in Canada. The form of school-based budgeting used in the Edmonton Public School District in Alberta, Canada, one of the most sophisticated forms in use, is described in some detail. A broader focus is then resumed with an examination of the outcomes of school-based budgeting and a listing of the problems of its implementation and operation. The paper concludes with the identification of critical issues that are raised by the practice, notably its impact on the role of the principal, as well as issues related to choice, diversity, and educational quality, the issues addressed in the Australian Council for Educational Administration's Seventh National Conference, where this paper was presented. Some implications for the Australian scene are offered with appropriate caution. (Author/PGD)

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RESOURCE ALLOCATION AT THE SCHOOL LEVEL: AN EXAMINATION OF SCHOOL-BASED BUDGETING IN CANADA AND THE UNITED STATES

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ABSTRACT

This paper is concerned with a systematic approach to resource allocation which purports to enhance choice and diversity. This approach, termed school-based budgeting, provides principals, in consultation with staff, with an opportunity to prepare and administer a budget for the allocation of resources at the school level, with such a budget to include allocations for certificated (instructional) and non-certificated (support) staff as well as for supplies, equipment and services.

Attention is given first to the nature, extent and purpose of the practice as it is found in the United States and, especially, Canada. Then follows a description of one of the most sophisticated forms of school-based budgeting; namely, that implemented in the Edmonton Public School District in Alberta, Canada. A broader focus is then resumed with an examination of the outcomes of school-based budgeting and a listing of the problems of implementation and operation. The paper concludes with the identification of critical issues which are raised by the practice, notably its impact on the role of the principal as well as issues related to the trilogy addressed in this conference: choice, diversity and equality. Some implications for the Australian scene are offered with appropriate caution.

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The issues of choice, diversity and equality which are central to the theme of this Seventh National Conference on Educational Administration clearly reflect the concerns of all who have an interest in Australian education. The same concerns appear to exist in many other countries. Though education may be organized in different ways, with different patterns of governance and with different terminology, the great debates have been on what are essentially the same issues.

In each instance, taking the K-12 level of schooling as the context, choice is the provision for parents to select the kind of education their children shall receive; diversity is the existence of a wide range of educational services from which a selection may be made, reflecting different tastes and needs on the part of individuals and society; equality is the condition under which the exercise of choice and access to and utilization of the diversity of services is independent of race, religion, creed or economic circumstance.

When described in these terms, choice, diversity and equality are ideal conditions and our best efforts invariably fall short of expectations. Central to these efforts, however, serving at the same time as the critical requirement and chief constraint, are the human and material resources which must be acquired and deployed to achieve an optimal matching of individual and societal needs and interests on the one hand and educational services on

the other. This problem of resource allocation has been at centre stage in the great debates noted at the outset. In Australia, the major debate has focused on federal aid to education with its many ramifications, including those related to the funding of private schools. In the United States, the inequities of the property tax at the local level and the expanded role of state and federal funding have been important issues. Proposals for shifting educational services to the private market continue to gain ground with a proliferation of so-called "voucher" schemes based on the views of Nobel Prize winning economist Milton Friedman, these views being powerfully argued in his current best-seller Free to Choose (Friedman and Friedman, 1980). In Canada, the balance of local and provincial contributions to the finance of public education has shifted so that the latter level now generally assumes the major burden; at the same time, federal involvement in the Canadian scene remains minimal. In another development, government aid to private schools, being small in most instances in the past, has been increased dramatically in several provinces.

These high profile, often controversial developments have affected the extent to which those at the different levels - school board, in the case of Canada and the United States, state or province and federal - have been able to influence the manner in which resources are allocated. None, however, have changed in a significant way the extent to which personnel in the smallest

organizational unit; namely, the school, have been able to allocate resources. Yet it is at the school level that the issues of choice, diversity and equality are in their sharpest focus, where educational plans are implemented, where choice is exercised and where educational needs must be met. There have, of course, been developments at this level wherein the principal, usually in consultation with staff and often in consultation with parents, has been given the opportunity to prepare and administer a budget for the allocation of resources at the school level.

This paper is concerned with the allocation of resources at the school level and developments of the kind just described, known variously as school-based or school site budgeting. Attention is given first to the nature, extent and purpose of the practice as it is found in the United States and, especially, in Canada. Then follows a description of one of the most sophisticated forms of school-based budgeting;namely, that implemented in the Edmonton Public School District in Alberta, Canada. A broader focus is then resumed with an examination of the outcomes of school-based budgeting and a listing of the problems of implementation and operation. The paper concludes with the identification of critical issues which are raised by the practice, notably its impact on the role of the principal as well as issues related to the trilogy addressed in this conference: choice, diversity and equality. Some implications for the Australian scene are offered with appropriate

caution.

CONTEXT IN GOVERNANCE

The description of school-based budgeting which follows is set in the context of school governance in Canada and the United States. A brief overview of this context will be useful for those who are not generally familiar with practice in these two countries. Particular attention is given to that found in the province of Alberta in Canada.

In Canada, Section 93 of the British North America Act [1] provides that only the provinces shall make laws related to education; consequently, there is no federal ministry or office of education. Each province has one or two ministries with administration through departments of education. In Alberta, for example, the Department of Education deals with the K-12 years of schooling while the Department of Advanced Education and Manpower is concerned with the affairs of universities, community colleges, institutes of technology and other institutions which deal with higher and further education. Restricting further description to the K-12 scene in public rather than private education and continuing an elaboration of the structure in Alberta, provincial legislation provides for

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[1] The BNA Act is a British statute; Canada does not have its own constitution. Proposals to "patriate" the BNA Act remain the subject of intense controversy in Canada.

some measure of local governance through units known variously as districts, counties or divisions. There are approximately 140 local units in this province of some 1.5 million people; these vary in geographical size and student enrollment, ranging from fewer than 500 students in large remote rural areas to more than 80,000 in the largest urban system. Policy in each jurisdiction is made by an elected board of trustees with the affairs of the jurisdiction administered by a locally-appointed superintendent and other central office administrators.

School boards in Alberta receive approximately 70 % of their funds from the provincial government through an unconditional foundation program grant and a series of conditional grants for certain designated purposes. Most of the remaining 30 % comes from a local tax on residential and non-residential property. In addition to its role in educational finance, the provincial department of education issues certificates to teachers and establishes curriculum guidelines for all subjects at each level of schooling. External examinations, formerly conducted by the Department of Education in the ninth and twelfth years, were abandoned in the early seventies. Regulatory and consultative services are provided by the Department of Education through five Regional Offices of Education. School boards are required to establish policies and procedures for the administration of schools and to conduct a program of instruction which is consistent with the guidelines of the Department of Education. Teachers are hired and

placed by the school board on the recommendation of the superintendent. Salaries and working conditions are the subject of collective bargaining between the board and the local unit of the Alberta Teachers' Association though many boards choose to combine their efforts in order to bargain on a regional basis. Membership in the ATA is compulsory for all teachers and administrators; the only exceptions being the superintendent and his immediate staff.

The locally elected board is, of course, a feature of the educational scene in Canada and the United States. Powers and patterns of funding differ as do provisions for collective bargaining. In general, however, the above somewhat simplified description of the Alberta scene sets the context for the following overview of the nature, extent and purposes of school-based budgeting.

NATURE, EXTENT AND PURPOSES

School-Based Budgeting Defined

School-based budgeting should be distinguished at the outset from traditional forms of school involvement in the budgeting process. School-based budgeting exists in a school system when (in the Canadian and US context) the school board or central office administrators provide principals, in consultation with staff, with an opportunity to prepare and administer a budget for the allocation of resources at the school level, with such a budget to include allocations for certificated (instructional) and non-certificated

(support) staff as well as for supplies, equipment and services. Traditional involvement of school personnel, often termed "mini-budgeting," has been typically limited to instructional supplies and equipment.

Despite their expanded role, school personnel are still subject to certain clearly defined constraints in the preparation and administration of school-based budgets. Collective agreements, curriculum guidelines and school board policy must be observed. Responsibility for adopting the system budget, with its centralized and decentralized components, remains with the board of education following a review of school budgets by central office administrators.

Extent of Practice

School-based budgeting is not a fad; there is no bandwagon to climb aboard. It may be found in fewer than 50 school districts in the United States; that is, in less than 0.5 % of the more than 16,000 systems in that country. The major developments have been in small and medium-sized school districts (up to 30,000 students) in California and Florida where it is a key component of practices known as "school site management." Adoption in California occurred in the late sixties and early seventies while implementation in Florida has been more recent, with the encouragement of state legislation which endorses the practice. There have been few accounts of school-based budgeting in Canada, the notable cases being in Alberta where the practice

has been implemented in the Edmonton Public School District (an urban system with about 65,000 students) and the Yellowhead School Division (a rural system with about 8,000 students).

Factors Underlying Adoption

School-based budgeting is just one manifestation of decentralization in a decade which has seen trends in both centralization and decentralization of public education in Canada and the United States. Factors contributing to or promoting decentralization in school districts have generally been of four kinds, working singly or in combination, representing demands for (1) increased sensitivity to local needs and problems, (2) reversal of the effects of size and centralization, (3) accountability and (4) professionalism and the desire for professional involvement. Each has been a factor in the adoption of school-based budgeting although, with respect to the fourth, it is interesting to note that the initiative has invariably been taken by superintendents who have contended that better decisions will be made if resources are allocated with a high degree of school involvement.

Michael Strembitsky (1973), Superintendent of the Edmonton Public School District, has used the term "subsidiarity" to describe the management principle which underlies his view

of the relationship between central office and the school:[1]

> . . . whatever can best be done at the school level should be done at that level, as opposed to having those functions performed from a centralized location removed from the scene of the action.

In the case of school-based budgeting, the principle of subsidiarity is manifested in the view that school personnel are best placed to make budget allocations; that is, to determine the particular mix of resources which will best meet the needs of students.

In a study of factors underlying a trend to school involvement in budgeting in the province of Alberta, this writer found (Caldwell, 1977:528-9) the following, in addition to the management style and philosophy of the superintendent: (1) increasing interest among teachers and administrators in participation in management decisions, (2) delegation of some curriculum decisions from the provincial to the board level and the associated interest in diversifying school programs, (3) the requirement that school systems implement a form of Program Accounting and Budgeting, (4) the development of computer technology and its utilization in cost accounting and planning information systems, (5) the accountab-

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1 The same term, in its classical phraseology, was used by the Saskatchewan School Trustees Association (1976) in discussing the relationship between the provincial and school board levels: " It is unjust and a gravely harmful disturbance of right order to turn over to a greater society of higher rank, functions and services which can be performed by lesser bodies on a lower plane. "

ility movement, (6) the financial restraints of the provincial government and (7) the rapid growth of enrollment in some systems where central office personnel experienced difficulty in coping with matters related to allocations for schools.

The Case for School-Based Budgeting

The case for school-based budgeting has been argued most strongly by Garms, Guthrie and Pierce (1978) in their recent text on the politics and economics of public education in the United States.

Garms, Guthrie and Pierce (1978:264) base their argument on the contemporary view that sees budgeting at the heart of the planning process:

> For school districts, the budgetary process constitutes the primary mechanism for planning and controlling educational activities. Most people understand that budgeting affects teachers' salaries, quantities of supplies available to a school, and the kind of maintenance a school receives. What is not so readily understood is that budgeting also affects important decisions about what is taught, how it is taught, and who teaches it.
>
> The budgetary process not only determines which goods and services will be purchased and for what purposes, but it also reveals the most important decision makers in a school organization. To the extent that individuals and groups participate in the preparation of the school budget they reveal their relative influence on the direction of schooling. Through budgeting, individuals influence when, where, how, and for whom the district's resources will be utilized.

These writers provide a scathing critique of centralized budgeting with its reliance on the application of formulae to more or

uniformly allocate staff, supplies, equipment and services with minimal input or discretion to reallocate at the school level. While recognizing that the process is intended to ensure equity in the allocation of resources, Garms, Guthrie and Pierce (1978:275) contend that the opposite effect may be achieved:

> Even where centralized budgeting procedures lead to relatively equal expenditures among students and schools within a district, they may still impede or deny the essence of equal opportunity. By utilizing abstract allocation formulas, centralized budgeting discourages individual schools from matching their services to the particular mix of their students' needs. It is quite possible that while one group of students may benefit from a particular mix of classroom teachers, counselors, vice-principals, and office clerks, another group of students may benefit more from fewer counselors and administrators and more teachers, teacher aides, and tutors. . . . A centrally determined mix will likely be suited to the majority and will probably not acknowledge that minority groups have systematically different educational needs.

In addition to contributing to inequalities, Garms, Guthrie and Pierce (1978:275) see centralized budgeting contributing to serious inefficiencies in the operation of schools. Four reasons are cited: (1) standardized budget allocations inhibit efforts to tailor programs to the special needs of students, (2) incentives are not provided for school personnel to be efficient, (3) the absence of diversity in centralized budgeting does not foster different approaches in the search for improved instructional techniques and (4) the school personnel do not feel responsible for the outcomes of programs in their schools. An additional shortcoming asserted (Garms, Guthrie and Pierce, 1978:276) is that centralized budgeting "stifles citizen participation."

Garms, Guthrie and Pierce (1978:278) propose school site management as a solution to the inadequacies of centralized budgeting; with its three elements of school-based budgeting, open enrollments and citizen participation, it represents "an intermediate solution between centralized school management and educational vouchers."

AN ILLUSTRATION OF SCHOOL-BASED BUDGETING

This section of the paper outlines in some detail the major features of one of the most sophisticated forms of school-based budgeting yet attempted in North America; namely, that implemented in the Edmonton Public School District in Alberta, Canada. The purpose is to describe the key elements of the practice rather than the outcomes which are considered more generally in another section of the paper.

The System

The Edmonton Public School District is one of two jurisdictions serving the city of Edmonton, capital of Alberta. Its 160 schools serve an estimated 65,000 students in the current school year. The other system, the Edmonton Roman Catholic Separate School District, serves the needs of approximately 20,000 students whose parents have directed that the education component of their property tax be directed to the Catholic system.

The Edmonton Public School District has a nine person board of education and a superintendent, Michael Strembitsky, who has served in that position since the early seventies following a career in the system as teacher, principal and central office administrator. Despite its location in a growing city in a booming natural resource economy, the district continues to experience a decline in student enrollment at virtually all levels.

The Decision [1]

Following a three-year pilot project in seven volunteer schools at different levels in the system, the board of education of the Edmonton Public School District decided in December 1979 to implement school-based budgeting in all schools. The adoption of school-based budgeting was just one component of a major reorganization of district operations. Changes which preceded or followed the December 1979 decision included the appointment of six associate superintendents, each responsible for the administration of 25-30 schools in 2 areas of the city; a redefinition of the roles of central office supervisors and consultants; the adoption of zero-base budgeting for the centralized component of the school district

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[1] Information in this and subsequent sections related to practice in the Edmonton Public School District is based on material furnished by personnel in the system, including a variety of working documents, in addition to an unpublished paper prepared by Cooper (1980).

budget; and a broadly based program of monitoring activities in the system, with annual surveys of parents, principals, teachers and students. These changes have occurred in the context of school district policy which fosters program diversity and parental choice among schools in the system.

Budgeting moved from a calendar year to a school year although financial reports to the Department of Education must still be made on the basis of the former. Budget preparation for 1980-81 was accomplished in a relatively short period following the decision by the board. Principals were advised in early February of guidelines for budgeting, including a lump-sum allocation determined in the manner outlined below. School budgets were submitted to associate superintendents in mid-March with board approval of the system budget, including the budgets of all schools, following in May.

Patterns of Centralization and Decentralization

The pattern of centralization and decentralization in budgeting for schools in Edmonton Public is summarized in Table 1. Virtually every aspect of allocations for certificated and non-certificated staff, supplies, equipment and services are included in budgets to be prepared at the school level. The exceptions, to be allocated in centralized budgets, are for substitute teachers to cover long-term illness (all illness of custodians) and selected school district activities, building maintenance and renovation other

Table 1

Patterns of Centralization and Decentralization in Budgeting for Schools in Edmonton Public 1980-81

Category	To be allocated in school budgets	To be allocated in central budget
Staff:		
Certificated	Administrators, teachers. counselors, librarians, department heads, work experience coordinators	
	Substitutes for short term illness up to and including three days, professional development and field trips	Substitutes for long term illness exceeding three days, curriculum development, Interschool Athletic Advisory Council and for interview committees
	Temporary staff and overtime summer service	
Non-certificated	Secretaries, aides, clerks, cafeteria staff and business managers	
	Substitutes for short term illness of non-custodial support staff	Substitutes for long term illness of non-custodial support staff
	Custodians	Substitutes for short and long term illness of custodians
Other	Professional development	
	Maintenance and repairs of instructional equipment and furniture; small facilities projects other than buildings	Building maintenance and renovation other than small facilities projects

Table 1 (continued)

Category	To be allocated in school budgets	To be allocated in central budget
Supplies	General and instructional supplies;cleaning supplies;materials for decentralized maintenance	
Equipment	Instructional and non-instructional equipment excluding items specified in centralized budget	Building Quality Restoration Program of funded technical, vocational and home economics equipment;musical equipment for rental programs and audio-visual equipment maintained centrally
Services	Copy machine rentals;telephone fees and installation; buses for field trips	Utilities

than small facilities projects, equipment in a Building Quality Restoration Program, musical equipment for rental, audio-visual equipment maintained centrally and utilities.

Determining Allocations to Schools

A critical component of successful school-based budgeting is the determination of an equitable allocation among schools. The allocation to each school, which sets the limits to budgeting by school personnel, must be sufficient to ensure that the special needs of students are met and must be determined in a way which does not give rise to competition among schools for these necessary, basic resources. What is sought, then, is a formula which can be applied uniformly and fairly to all schools but which takes account of factors that distinguish one school from another. Such factors include the number of students, the learning needs of students, the level of schooling, the type of program offered and the physical size and condition of the school. There is also a need to take account of special factors for schools which are very small or have a high transiency rate.

The method of determing allocations for schools in the Edmonton Public School District is one of the most elaborate of any system with school-based budgeting. The factors which were considered and the criteria for determining allocations are summarized in Table 2.

Table 2

Factors and Criteria for Determining Allocations to Schools in the Edmonton Public School District for 1980-81

Certificated Staff

1. Allocation for instruction of $1,171.70 per weighted student

   a. Weighting factors applied to student enrolment ranging from 0.70 for kindergarten to 4.34 for hearing/visually/dependent handicapped. Weightings determined on basis of number of minutes of instruction (K-9), type of program (10-12) and special education needs of students

   b. Additions to number of weighted students for home ec. / ind. arts in junior high, differentiated instruction in junior high, resource room in elementary, extended French programs, schools with fewer than 100 students and schools with high transiency

2. Allocation for substitutes of $14.20 per weighted student determined as in 1 (a) and (b) above

Non-Certificated Staff

1. Allocation for elementary and junior high of $53.75 per weighted student with weighting factors varying from 1.00 for "basic" student in Grades 1-9 to 46.80 for dependent handicapped student

2. Allocation for senior high of $120 per student in schools offering academic programs only to $210 per student in schools offering vocational and trades/services programs

3. Allocation for non-custodial substitutes of $2.74 per weighted student determined as in 1 and 2 above

4. Allocation of 1.0 FTE custodian for each 18,400 sq. ft. of space

Supplies, Equipment and Furniture

1. Instructional supplies on a per pupil basis ranging from $65.00 for each kindergarten student to $1,058 for each dependent handicapped student

Table 7 (continued)

2.	Additional allocation of $7 per credit for students in vocational/technical programs
3.	Additional $610 for schools with fewer than 150 students
4.	$450 per school for copy machine rental
5.	Allocation for custodial supplies and equipment based on area of school
6.	Telephone rental and installation of $4.40 per pupil
7.	Desk and furniture repair of $1.58 per pupil
8.	Allocation for small facilities maintenance projects based on age and size of school

The major part of the allocation to each school was an amount of $1,171.70[1] per weighted student for the services of certificated staff. Application of the "weighted student" concept ensured that account was taken of the different instructional needs of students; for example, differences among students at the kindergarten level, in the regular Grade 1-6 program,[2] for those with visual and hearing handicaps and so on. The amount of $1,171.70 was determined as follows:

$$\frac{\text{Total 1979-80 expenditure for school-based certificated staff salaries and benefits + 8 \%}}{\text{Projected student enrollment for 1980-81}} = \$1,171.70$$

The various weighting factors for certificated staff were determined on the basis of a 1.0 weighted student receiving 1400 minutes of regular classroom instruction in a class of 26 students in Grades 2-12, with 1400 minutes being the maximum weekly instructional time for a teacher under the terms of the existing collective agreement and 26:1 being the system average student-teacher ratio in Grades 2-12. The other weighting factors

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1 All amounts are in Canadian dollars; $1 Canadian = $0.77 Australian.

2 Grades 1-12 in Canadian schools correspond to the 1-12 years of schooling in the Australian context.

were determined according to the average student-teacher ratio in the system for the different classifications of students and levels of schooling as well as the average number of minutes of instruction given each week. Refinements were made to ensure that no school would receive less than it would if allocations had been made under the previous more centralized system of budgeting.

Allocations and weighting factors summarized in Table 2 for non-certificated staff, supplies, equipment and services were similarly determined on the basis of system averages for the students or level of schooling under consideration.

Calculation of the total allocation for each school was dependent on projections of the number of students falling in each category defined by the various weighting factors. These allocations were made by system planners in consultation with the principal of each school. Adjustments to allocations were made in September[1] when actual enrollments were known. Such adjustments required amendments to budgets which were approved by the board in May.

Budgeting by School Personnel

The essence of school-based budgeting is that school personnel have discretion to allocate funds across a variety of

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[1] The school year in Canada is September 1 - June 30.

categories according to priorities established at the school level; the lump-sum allocation described above sets the limits to this school discretion. It is at this point that "the particular mix of resources which will best meet the needs of students" is determined thus achieving the benefits of the process as asserted by its proponents.

The process starts with the principal of each school being advised of the aforementioned lump-sum allocation and details of how it was determined; for example, the principal of a Grade 7-9 school with a projected enrollment of 246 may have been advised of an allocation of $492,309, an amount to cover the cost for 1980-81 of certificated and non-certificated staff, supplies, equipment and services as listed in Table 1. It is important to note that at no time does the school receive an actual sum of money to deposit in a school account; once the school budget is determined, staff are requested and requisitions are made in the usual way using the centralized services of the system.

The format adopted for school-based budgets called for principals, in consultation with staff, to perform each of the following in the course of the budget preparation process:

1. Assemble and interpret needs assessment data related to the operation of the school;

2. Establish goals for each program and for the school;

3. Establish measures, standards and objectives for

each program;

4. Determine, subject to the constraints described below, allocations for certificated and non-certificated staff, supplies, equipment and services which are consistent with the goals and objectives established in #2 and #3 above; and

5. Prepare in written form a program budget for the allocation of resources.

The constraints on budgeting were generally of three kinds: (1) constraints related to the deployment of staff, (2) constraints related to curriculum and (3) constraints related to school board policy on decentralization. Constraints related to staff deployment were drawn from provincial legislation; namely, The School Act, policies of the board and agreements with the Alberta Teachers' Association (certificated staff), the Canadian Union of Public Employees (custodians) and the Support Staff Association (non-custodial support staff). These referred in the main to the maximum number of hours per week which could be assigned and procedures for consultation by the principal. Constraints related to curriculum were drawn from the handbooks of the Department of Education, board policy and administrative regulations. These referred to the total number of minutes of instruction per week for the various subjects and provisions for optional subjects. Constraints related to school board policy on decentralization defined the areas of school operations which could be included in school-

based budgets. These areas were summarized in Table 1.

Consistent with general practice in school-based budgeting, staff costs in each budget were based on average salaries, plus benefits, rather than the actual salaries paid to staff in each school. For 1980-81, for example, certificated staff were costed at $28,655 per Full Time Equivalent, this being the average salary plus benefits paid in 1979-80 with the addition of 8 %. Actual allowances were added for those with administrative responsibilities. Similar schedules of costs, based on system averages, were established for all classifications of support staff and for the costs of substitutes.

Catalogues from the district centralized purchasing department and from the private sector were used to estimate costs of supplies, equipment and services.

The tasks outlined above were completed between early February and mid-March. In-service sessions for principals and other school administrators were organized on an area basis and were generally three or four in number. They were concerned with the background and purpose of school-based budgeting, the technical aspects of the preparation process and guidelines for securing appropriate involvement of staff. The number of meetings at the school level varied, with the board providing one additional "professional development" day for work related to budget preparation.

The Role of Central Office

It is evident that the role of supervisors and consultants at the central office level will change with the implementation of the practices described above. There is clearly a need to generate much additional information for planning and monitoring purposes. Projection of student enrollments; calculation of costs which form the basis of lump-sum allocations to schools; and the provision of regular, timely, accurate and understandable financial reports are important to the success of school-based budgeting. The need for monitoring expenditures is evident since schools are constrained with respect to the extent to which transfers can be made within and among the various classifications of the budget once board approval has been given.

In addition to the activities concerned with information, regulation and monitoring described above, the emerging pattern of appointments at the central office level suggests an expanded support role for the delivery of instructional services.

THE OUTCOMES

Surprisingly little research has focused on the outcomes of school-based budgeting. This section contains a formative assessment (a "progress report") of practice in Edmonton Public and the major findings of studies conducted elsewhere.

Edmonton Public

It is clearly too soon to assess the impact of school-based budgeting in the Edmonton Public School District although experience in the three-year pilot and in other jurisdictions suggests that it will be favorably received at all levels following stabilization of the change. This outcome is conditional on appropriate attention to the information needs of schools in the manner outlined in the previous section.

Preliminary information on outcomes in Edmonton Public lies in three areas: (1) impact on staffing patterns, (2) impact on the role of the principal and (3) achievement of purposes.

1. Impact on staffing patterns. One outcome which had been documented at the time of writing was the impact of the process on staffing patterns in the system. Such information is of particular interest in light of concerns expressed by the Edmonton Public School Local of the Alberta Teachers' Association that school-based decisions related to staff might lead to a reduction in the number of certificated personnel (Caldwell, 1979:22).

Table 3 summarizes the projected impact of school-based budgeting on staffing patterns in Edmonton Public for 1980-81 (Edmonton Public School District, 1980). The allocations in school-based budgets are consistently higher than allocations based on projected student enrollments, the noteworthy exception being for staff at the junior high school level (years 7-9) which are 4.5 %

Table 3

Projected Impact of School-Based Budgeting on Staffing Patterns in Edmonton Public for 1980-81 [1]

Category	1979		Change in enrolment 1979-80 to 1980-81	Allocation based on projected enrolment [2]	1980-81	
	Allocated in 1979 budget	Actual allocation Decem. 31, 1979			Allocations in SBB	Change from projection
Level						
Kindergarten	106.5	116.5	+ 8.3 %	115.3	117.8	+ 2.2 %
Elementary	1 247.7	1298.8	- 4.3 %	1194.0	1304.2	+ 9.2 %
Junior High	652.5	632.6	- 2.9 %	633.6	605.3	- 4.5 %
Senior High	787.7	778.6	- 4.1 %	755.4	757.7	+ 0.3 %
Special Ed	314.7	331.8	+ 3.0 %	324.1	328.4	+ 1.3 %
Position						
Differentiated	30.0	30.0		30.0	29.9	- 0.3 %
Librarians	99.4	95.8		96.6	102.9	+ 6.5 %
Counselors	90.6	90.5		88.4	89.8	+ 1.6 %
Resource Room	65.5	66.3		63.7	71.6	+ 12.4 %
Administrators	199.1	196.9		193.6	217.9	+ 12.6 %
Department Heads	15.2	17.0		14.7	17.3	+ 17.7 %
Work Experience	8.8	9.1		8.5	7.6	- 10.6 %
TOTAL	3617.7	3663.9		3517.9 [3]	3650.4	+ 3.8 %

1 From Edmonton Public School District (1980).

2 Determined by calculating percentage change in Column 4 over budget allocation in Column 2.

3 The total certificated staff included in system projections was 3581.9. This included a "holdback" to compensate for enrolment adjustments in September 1980.

lower than those suggested by projected student enrollments. Of special interest are the allocations for librarians and counsellors, higher by 6.5 % and 1.6 % respectively, than those suggested by projected student enrollment. These positions have been considered by some to be "vulnerable" under a system of school-based budgeting. Also of interest are the allocations for those in school administrative positions; namely, administrators and department heads, which are 12.4 % and 17.7 % higher, respectively, than those suggested by projected student enrollments.

In general, the allocations summarized in Table 3 suggest that concern related to a potential reduction in the number of certificated staff are unfounded; indeed, the changes are consistently in a direction opposite to that which might be expected given enrollment trends in the system. More definitive information will be available in succeeding years.

2. Impact on the role of the principal. Of particular concern among those who are sceptical of school-based budgeting is the anticipated impact on the role of the principal, with reservations often expressed in terms such as "I don't want my principals to be bookkeepers" (superintendent) and "I want to be an instructional leader not a business manager" (principal).

It would appear that school-based budgeting, as defined in this paper and as implemented in the Edmonton Public School

District, impacts the role of the principal in a manner rather different from that expressed in the above reservations. Providing appropriate support services are provided, it would appear that the role becomes more that of instructional planner than bookkeeper or business manager. Aspects of the budget process which support this contention are those which call for the principal, in consultation with staff, to assemble and interpret needs assessment data related to the operation of the school; establish goals for each program and for the school; establish measures, standards and objectives for each program; and determine priorities and allocations which fall within constraints of the kind outlined earlier. The arithmetic skills are minimal and need not be performed by the principal if other members of staff have the interest or expertise. The bookkeeping role is minimized if, subsequent to the adoption of budgets by the board, schools are furnished with the aforementioned regular, timely, accurate and understandable financial reports.

Information related to the impact on the role of school personnel was furnished in a survey conducted in early 1979 by the Edmonton Public School Local of the ATA (Edmonton Public School Local, 1979). This survey of all certificated staff in the district sought views and opinions related to school-based budgeting prior to the board decision to implement the practice in all schools. Of particular interest are the responses of 208 teachers and administrators with experience in the three-year pilot project. The responses of these persons on items related to their role are summarized in

Table 4. The limitations of this aspect of the survey should be acknowledged, given that principals volunteered for the project after varying degrees of consultation with their staffs; the pattern of responses cannot be projected to system-wide implementation.

Five of the twelve items in Table 4 focus directly on the role of school personnel in planning under school-based budgeting. The remaining items deal with possible areas of role conflict and are divided into three categories: time devoted to budgeting, relationship with other members of staff and role in the system. The responses for the five items related to planning suggest that pilot personnel were generally optimistic and satisfied, with at least 85 % giving a moderate or higher rating in each instance. There was some measure of concern about the time and energy which might be diverted from on-going educational programs, with 52 % giving a moderate or higher rating to their concern. There was general satisfaction, however, with the time required for budgeting, especially following the first year of the pilot; 78 % gave moderate or higher ratings of satisfaction in this instance. While some respondents expressed concern about an increase in inter-staff friction as a result of school-based budgeting, 89 % gave a moderate or higher rating for the extent to which the practice encourages positive collegial relationships. With respect to their role in the system, some respondents expressed concern that problems of finance are transferred from the board to the

Table 4

Views of Certificated Staff in Edmonton Public Pilot Project Related to Impact of School-Based Budgeting on Role[1]

Item	Distribution of responses (%)[2] 1 VL	2 QL	3 M	4 QH	5 VH	Mean Rating
Role in Planning						
Optimism that SBB might enable school to define objectives, establish priorities and give increased sense of purpose	2	5	13	38	41	4.1
Belief that principal has more effective and appropriate role under SBB	2	5	16	42	35	4.0
Belief that teachers have more effective and appropriate role under SBB	3	7	18	47	27	3.9
Satisfaction with involvement in planning and goal-setting	4	4	23	38	31	3.9
Satisfaction with involvement in development of budget programs	4	9	22	37	27	3.7
Time Devoted to Budget						
Concern about time and energy SBB might divert from on-going educational programs	25	23	27	16	9	2.6

[1] Excerpts from findings of survey conducted by the Edmonton Public School Local of the Alberta Teachers' Association (Edmonton Public Local, 1979).

[2] VL = Very Low, QL = Quite Low, M = Moderate, QH = Quite High, VH = Very High

Table 4 (continued)[1]

Item	Distribution of responses (%)[2] 1 VL	2 QL	3 M	4 QH	5 VH	Mean Rating
Satisfaction with time required for budgeting in initial year of pilot	13	22	36	18	10	2.9
Satisfaction with time required for budgeting in subsequent years	5	18	37	26	15	3.3
Relationship with Staff						
Concern about increase in inter-staff friction as result of SBB	29	36	19	8	8	2.3
Extent to which SBB encourages positive collegial relationships	5	6	34	35	19	3.6
Role in System						
Concern that problems of finance are transferred from board to school under SBB	22	23	25	17	12	2.7
Optimism that SBB might allow school to circumvent bureaucracy	2	7	14	38	40	4.1

[1] Excerpts from findings of survey conducted by the Edmonton Public Local of the Alberta Teachers' Association (Edmonton Public School Local, 1979).

[2] VL = Very Low, QL = Quite Low, M = Moderate, QH = Quite High, VH = Very High.

school; however, 91 % gave a moderate or higher rating for their optimism that school-based budgeting might allow the school to circumvent bureaucracy.

Comments given most frequently in the free-response section of the questionnaire were concerns that the practice would waste time (12) and that meaningful consultation may not take place (11). These comments, together with other responses related to the time devoted to school-based budgeting, point to the importance of principals establishing appropriate procedures for involving teachers in the decision process. It is of interest that one in-service with administrators following the decision by the board in December 1979 was concerned with guidelines for the involvement of teachers.[1]

3. Achievement of purposes. Examination of the budgets of the seven schools in the pilot revealed that school personnel did use the discretion available to them to develop a resource mix which they perceived to meet the special needs of their students. The findings in the Edmonton Public School Local survey are also worthy of note. More than 90 % gave a moderate or higher rating of the extent to which they considered (1) school-based

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[1] These guidelines, based on the Vroom-Yetton decision model, are included in the package Situational Leadership (Caldwell et al., 1978) used by Dr. Robert Bryce at a 1979 short course of the Victorian Institute of Educational Administration.

budgeting is more successful than centralized budgeting in meeting the special needs of individual schools, (2) the educational dollar is more effectively spent under school-based budgeting and (3) school-based budgeting has enhanced the educational program available to students. More than 80 % had a moderate or higher level of optimism that "Johnny would learn better under school-based budgeting."

Other Findings

Studies of school-based budgeting have generally focused on descriptions of the practice and the process of organizational change in the implementation phase. Several of these are noted in the section which follows on problems of implementation and operation. The key finding of interest as far as outcomes are concerned is that which confirms that schools in systems with school-based budgeting tend to spend money in a different way than if they had received allocations from a centralized budget; that is, schools do use their discretion to match resources to what are perceived as local needs. Seward (1975), for example, compared centralized and decentralized budgeting in two similar school districts in California. He found significantly greater expenditure diversity within budget categories in the system with school-based budgeting. Garms, Guthrie and Pierce (1978:288) reported a study by Thomason of expenditure diversity in the Newport-Mesa Unified School District in

California, a system which pioneered the practice in that state. After noting the diversity of expenditures reported by Thomason, these writers concluded:

> Of course, if the allocation of school resources were viewed over a longer period [than the one year of the study] some of the variation might disappear, yet preliminary information and logic both suggest that school site management and budgeting would produce a much greater variety of educational services.

PROBLEMS OF IMPLEMENTATION AND OPERATION

The problems of implementation and operation have been summarized in a number of documents. These include the account by South (1976) of the implementation over a five-year period of school site management in Monroe County, Florida; the four case studies of school site management and budgeting by the National Urban Coalition, these dealing with two systems in Florida and two in California; and the study by this writer (Caldwell, 1977) of the processes and problems of implementation in seven Alberta school systems which had decentralized to varying degrees the decisions related to allocation of resources at the school level.

Studies of the adoption process all point to its extraordinary complexity. Oron South (1976:163) who guided the process in the relatively small, fourteen-school Monroe County system in Florida, noted that the change entailed:

> . . . a complete change in organization structure, organization relationships, organization values, reward systems, and major organization processes, such as planning, budgeting, and resource allocation.

The changes which have taken place in the Edmonton Public School District are consistent with the experience in Monroe County. One implication is the need for a comprehensive in-service program. After reviewing experiences in four systems, the National Urban Coalition in the United States concluded that:

> The plunge-in method of trying school site management is dramatic but costly. . . . Hoping that principals, teachers, and parents will have the skills to assume new roles is laying the foundation for frustration. There is a critical need to have continuing programs which reorient central office staff, principals, teachers, and parents to new responsibilities, authority and functions. (National Urban Coalition, 1979:41)

The Alberta study (Caldwell, 1977), which dealt with limited decentralization in six systems in addition to the first year of the pilot project in Edmonton Public, identified problems in implementing and operating the practices. The following summarizes implementation problems common to the experience of two or more systems during the period from the decision to adopt the practice until a measure of stabilization was achieved:

1. The major problems encountered by central office personnel were concerns about the number of items to be decentralized, the resistance of some subject supervisors in the larger systems, violation of guidelines by schools, differences with school personnel in interpreting program budget classifications, and difficulties in providing timely and accurate financial information to schools. The decentralization of decisions related to staff allocations as well as maintenance and custodial services appeared to be the

subject of many differences of opinion on the extent to which school-based budgeting should be implemented.

2. The major problems encountered by principals concerned their own role and technical difficulties in the administration phase of the budgeting process. Increased workload as well as lack of skill and experience and inadequate guidelines were frequent concerns. Difficulties associated with program budgeting classifications and a lack of information on costs and expenditures were major problems in administering budgets. Other problems at the school level were related to teacher involvement, being perceived variously as too high or too low. The difficulty of regularly providing accurate and timely information to schools on the status of the different decentralized accounts emerged as the cause of greatest concern and frustration for principals. This difficulty appeared to contribute to the often-expressed view that school-based budgeting results in burdensome bookkeeping for school personnel.

3. The Edmonton Public pilot project was monitored by the Edmonton Public School Local of the Alberta Teachers' Association. The policy of the ATA explicitly promoted the concept of teacher involvement in decisions concerning the allocation of educational resources but opposed the employment of teachers' aides in a manner which may result in a reduction in the number of teachers. There was evidence of concern among members of the

Local, also reflected among the responses of those in the 1979 survey who were not involved in the pilot, related to (a) allocations for staff and the possibility of decisions which may lead to a reduction of certificated personnel, (b) time spent on budgeting by principals and teachers, (c) potential for inequities, (d) increased levels of conflict at the school level, and (e) allocations for substitute teachers. These concerns appear to be typical of those expressed by teachers' organizations when school-based budgeting involving decisions related to staff is contemplated.

A listing of the operational problems reported in the Alberta study after a degree of stabilization had been attained revealed some interesting contrasts with those reported above:[1]

1. No instances were cited of resistance to the practice on the part of central office administrators.

2. Problems of control became more apparent in several systems when deficits were accumulated by some schools or when school expenditures were considered to be inappropriate. Trustees and central office administrators placed additional constraints on school decision-making in some instances.

3. Principals generally expressed fewer concerns related to their role in budgeting. However, those in the majority of the systems studied generally reported inadequate allocations

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[1] These findings do not include information from Edmonton Public for years following the first year of the pilot.

allocations in decentralized accounts, thus suggesting that school-based budgets may be especially subject to "downward pressure" in periods of inflation and financial restraint. Remarks by principals suggested that the achievement of flexibility, which is central to the purpose of school-based budgeting, was frequently constrained by limited funds in decentralized accounts as well as the high degree of control exercised by central office. Problems related to the adequacy and frequency of financial reports to schools continued to be a major concern.

There is recent evidence that financial restraints, identified above in the context of Alberta, may also have been a factor in some recentralization in school systems in California which had previously featured a high degree of school site management. An interesting case is that of the Alum Rock Voucher Project which began in 1972-73. In addition to the extensive involvement of school personnel in planning and resource allocation, the Alum Rock Union School District included:

> . . . [a] degree of choice [which] is considerably greater than we find in the typical school district. As of 1974-75, parents were asked to select among 55 "minischools," each one of which offered a particular program emphasis and pattern of staffings. These minischools existed in 14 "voucher schools" out of a district total of 24 schools. (Benson, 1978:228)

Early reports of the project were favorable, especially with respect to the reaction of school personnel. As Benson (1978:229) noted:

> Rarely in recent times in America have teachers been able to play so direct a role in designing school programs. Evidence indicates that teachers in Alum Rock enjoy the experience; their morale, indeed, appears to be high at a time when teachers in other districts are feeling oppressed by budget retrenchment, school closings, and adverse parental reaction to these conditions.

More recently, however, there is evidence of recentralization, due in part to financial restraints. Benson (1978:229) reported that:

> There is some evidence, however, that the Alum Rock District in the late 1970s was reverting toward more centralized control of teacher assignments, finances, and curriculum. The problem seemed, in part, to be that teachers found it difficult to expand the size and reach of those programs that were unusually popular with parents and students. But the retrogression from the ideal decentralization seems to have been brought on mainly by financial distress in the district.

Observers in Alberta will monitor trends in the Edmonton Public School District with interest in light of the 1980-81 staffing pattern summarized in Table 3 which revealed an increase despite a decline in student enrollment. Informal comment has suggested that lump-sum allocations to schools in the first year were "generous;" whether this generosity can be maintained in a climate of continued restraint will be the focus of attention in the years ahead.

CRITICAL ISSUES

Four issues are raised in this section of the paper. These concern (1) the need for policy analysis which focuses on the desirability, workability and acceptability of school-based budgeting; (2) the new role for school personnel, especially for the principal; (3) the need for adequate support systems and (4) the suitability of school-based budgeting in the Australian context.

The Need for Policy Analysis

The far-reaching nature and consequences of changes to a budgeting system imply that a careful analysis should be undertaken before a school system embarks on a process of decentralization. Such analysis should be concerned not only with the need for change, but also with understanding and predicting the interests and responses of the various individuals, groups and organizations who may be affected by the change. Account must also be taken of the many problems which will be encountered initially and once a degree of stabilization has been attained. It is quite possible that such an analysis will indicate that decentralization is not an appropriate course of action; for example, in a system with stable enrolments, an actual and desired uniformity in program offerings in schools at the same level, and where little interest is expressed in school-based budgeting by school

personnel. Quite clearly, issues of choice and diversity must be addressed in this analysis.

Many guidelines exist to guide the process of policy analysis. Those suggested by Carlisle (1974) were recently adapted by this writer for use an the Alberta context; further adaptation may be made for the Australian setting.

The Role of the Principal

An issue raised earlier in this paper is the impact of school-based budgeting on the role of the principal. Information presented therein suggested that school-based budgeting may enhance that aspect of the role which focuses on planning and evaluation. This outcome is conditional, however, on the provision of adequate support services; cost accounting and planning information systems must be provided on a centralized basis.

With preparation programs and support services in place, the role of the principal as an instructional leader may, in fact, be strengthened under school-based budgeting if a leader is viewed (Sergiovanni and Carver, 1973:197) as "the individual charged with the tasks of directing and coordinating the group activities necessary to achieve or change goals." The view of the principal as an "instructional leader" is often contrasted with that of "building and business manager." A contrast along these lines was suggested by Smyth (1980:4) in his analysis of the role of the principal as an instructional leader:

> Perhaps we should begin to think of the principal less in terms of a "manager" and more in terms of a "supervisor" armed with a definitive body of expertise and skills in classroom analysis, equipped and able to help in the improvement of teaching and learning.

A case can be made that the principal will be constrained in the tasks of educational leadership if the opportunity to match resources with needs is omitted from the role.

The Need for Support Systems

Any hope of enhancing the role of the principal as an instructional leader will surely be confounded if adequate support systems are not in place; in their absence, the principal may indeed be no more than a bookkeeper or business manager. Cost accounting and planning information systems must be in place on a centralized basis prior to the implementation of school-based budgeting. In large systems, especially, modern computer technology will be a key requirement.

A key component in the system of support is the preparation of school personnel for this expanded role in school administration. It is interesting to note that, in the survey conducted by the Edmonton Public School Local of the Alberta Teachers' Association (Edmonton Public School Local, 1979), respondents in the pilot schools generally saw a high need for teacher training in the areas of program planning, goal setting, needs assessment, evaluation and budgeting. Learning resources

for use in pre- and in-service settings are currently being developed as part of Project ASK in the Department of Educational Administration at the University of Alberta. These include a full-scale simulation of the school-based budgeting process.

Suitability in the Australian Setting

No judgement is made in this paper on whether school-based budgeting as defined herein can or should be implemented on a large scale in Australia. The writer recognizes that much information is required for a policy analysis of this kind. Some work along these lines was undertaken by Sawatzki (1979) in his examination of the possibilities for Queensland.

Three observations are in order. First, school-based budgeting is not dependent on the existence of local units of school governance despite the fact that the practice has been implemented in that context in Canada and the United States. Indeed, a relatively large student enrollment facilitates the determination of student weighting factors as illustrated in the account of practice in the Edmonton Public School District. In Australia, weighting factors may be determined on a state, regional or city basis.

It is interesting to note that implementation in Florida has occurred at a time of increased centralization of funding at the state level. The account by Benson (1978:367) is pertinent to this discussion of potential application to Australia:

> On the one hand, the Florida plan could be described as full-state funding, in that there is a statewide property tax for schools and relatively little local leeway to spend in excess of state distributions. The distributions are themselves remarkable for the detailed weightings, some 25 in number, to take account of the different learning characteristics of students and their programmatic costs. The distributions are also unusual in that they attempt to regulate the flow of funds in terms of the prices districts in different parts of the state have to pay for educational resources; that is, the distribution formula incorporates a cost-of-education index, based mainly on differences in teachers' salaries.
>
> On the other hand, the Florida plan emphasizes decision making in the local school. Principals and teachers, in consultation with parents, are expected to establish educational objectives for their schools and to monitor progress toward meeting those objectives. Categorical aids, essentially the student weightings mentioned above, are tracked directly into the schools in accordance with a given school's number of affected children. Thus, while educational reform in Florida was intended to increase the power of the state in financing schools (centralization), it was also intended to distribute greater powers from school districts to the school site (decentralization).

A second observation is that the high degree of parental involvement which was included in the proposal for school site management by Garms, Guthrie and Pierce (1978) is not a prerequisite for school-based budgeting. Principals in Florida view such practice with some scepticism (Crowell, 1979) and it is not a requirement for school-based budgeting in the Edmonton Public School District. The limited success of school councils in Australia reported by Walker (1980:14) suggests that they would not be a major factor in any system of school-based budgeting in this country.

A third observation is related to the existing choices available to parents in Australia through the relatively strong system of private schools in this country. School-based budgeting

may add a further dimension to this choice through the added diversity it may foster within both state and private sectors of education. In the private sector, of course, it may be argued that school-based budgeting has existed for years in those single, independent schools whose affairs are governed by a board.

CONCLUSION

The purpose of this paper was to examine in some detail a practice which addresses the three key issues of this conference - choice, diversity and equality - at the point in a school system where choice is exercised and diversity must be demonstrated. Early accounts of its implementation suggest that, with careful attention to the strategies of organizational change and with adequate support systems, school-based budgeting may make an important contribution to the achievement of quality in education.

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